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Vermont Public Service Board
112 State Street
Montpelier, Vermont

RE: Docket 7495 - DPS Petition for Review of All Fuels Efficiency Program Provider

This is a response to the comments made on February 17, 2009, to the Public Service Board by Vermont Energy Investment Corporation (VEIC) and Vermont Housing Conservation Board (VHCB) regarding Central Vermont Community Action Council's (CVCAC) proposal on the All Fuels Efficiency Program.

On February 20, 2009, the three parties completed a Memorandum of Understanding (MOU) outlining a Statement of Principals and Framework for cooperation in integrating the delivery of RGGI-funded services. The framework addresses all five of VHCB's focal points from their comments to the Board on February 17th.

Regarding VEIC's comments filed on February 17, 2009, CVCAC agrees in principal that, in a perfect world, all providers of services to the public would enjoy superior integration, without duplication of effort, or confusion in the marketplace, and increased operational and administrative efficiency. The Department of Public Service's Request for Proposal, however, did not require many of the suggestions in VEIC's comments. Thus, CVCAC's budget did not include those suggestions. Where VEIC has suggested that it be the provider of a given service, CVCAC is open to this arrangement provided the costs are competitive and the proposed service is compatible with the contract.

Further, given that the contract before the Board is now a 1-year program, and that all parties are trying to move quickly to be operational this winter, CVCAC requests that the Board give the Department considerable latitude to find a workable resolution within the budget and timeframe established.

We address each of VEIC's specific points raised in its comments:

Marketing and Outreach: CVCAC embraces the concepts of integration, coordination, and minimizing confusion in the marketplace. Accordingly, CVCAC believes the Efficiency Vermont "brand" as developed by the Board for the electrical efficiency utility, should be the umbrella brand under which all Vermonter public-and ratepayer-funded energy efficiency information, products and services should be delivered. The determination of what entities can use the Efficiency Vermont brand, however, remains

unresolved. The Board does not need to address this issue now, but can resolve this issue at a later date.

CVCAC agrees that Efficiency Vermont should provide a unified point of entry. We view this as somewhat different from a “single” point of entry. One of the benefits of our proposal is that delivery of services is decentralized. There are many organizations and locations where Vermonter’s can get assistance accessing efficiency services. Using internet-based intake and tracking services of Efficiency Vermont, CVCAC, its Partners, allied social service organizations and the general public will be able to identify relevant programs and services and enter into the delivery system from a unified location accessed under the Efficiency Vermont brand.

As such, and pending satisfactory cost to value agreements, CVCAC agrees that all outward marketing, communications and outreach pertaining to RGGI-funded services will direct Vermonter’s to Efficiency Vermont’s web site, call center, or literature services.

Services: CVCAC agrees that customers should not be subjected to different services within a market segment under RGGI versus FCM-funded programs. The MOU acknowledges that the parties will “define policies and procedures that are mutually agreeable.”

Act 92 called for an average 25% savings in building energy under RGGI-funded services. Achieving this goal will require blending of funding sources and integration of thermal and electrical services. CVCAC, VHCB and VEIC have agreed to work cooperatively to maximize leveraged resources, including Efficiency Vermont electrical programs, and financial products and services of VHCB, Vermont Housing Finance Agency and the HomeOwnership Centers.

VEIC suggested using the Technical Reference Manual documentation process and the Technical Advisory Group deliberative and approval process. The RFP made no reference to these processes, and thus CVCAC did not allocate money in the budget to subject the Partners to policies, procedures or processes different from the rigorous cost-effectiveness requirements of the weatherization assistance program. Specifically, CVCAC and its Partners have established programs to analyze improvements and project savings. Requiring CVCAC to retrain its staff to use new software and process would prevent the immediate implementation of its Proposal. Given a one-year contract and the expressed urgency of the Board to get the program moving, CVCAC requests that the Board give the Department considerable latitude in approving analysis and verification tools and procedures under this contract.

Regarding analysis tools, Act 92 called on the Weatherization Program administrator to facilitate a discussion on analysis tools for both single and multi-family residential audits. CVCAC, VEIC, VHCB and the Department have all participated in the discussions, which are on-going. In the MOU, “All parties agree that more standardization and better

tools are needed to evaluate and implement the best practices for carbon reduction and energy savings in multi family buildings. Both foundation and RGGI resources will be used to support this effort. VHCBC will take the lead in administering this effort. All parties will participate in it.”

Intake: As noted above, and subject to competitive pricing, intake services will utilize the unified point of entry at Efficiency Vermont.

Performance Indicators: Performance indicators and performance incentives related to the RGGI contract are subject to on-going negotiations between CVCAC and the Department.

Data Tracking and Reporting: Subject to competitive pricing, CVCAC will work with Efficiency Vermont’s data tracking system and report data that is consistent with other unregulated fuel efficiency efforts.

Evaluation: CVCAC will cooperate with the Department to deliver data and analysis that serves the evaluation needs of the Department and the Board.

Fair Competition: CVCAC acknowledges the need for transparency and diligence relating to its role as a program implementer and service provider in segments that use competitive market providers. CVCAC has a unique role because it is the largest provider in the Home Performance with Energy Star network, and as such has a valuable perspective on what works well and opportunities for improvements.

The MOU addresses the issues of fair competition in two points. First, at paragraph 12, “the RGGI-funded efficiency services for homeowners that are above 80% of median income will be integrated into EVT’s delivery of 2009 services to this customer segment. EVT and CVCAC will define policies and procedures that are mutually agreeable. Implementation and execution will be managed by EVT. Improvement services for this group will be provided by qualified homeowner-selected contractors.”

Second, at paragraph 14, “the Partners who provide direct services in the competitive market will refrain from accessing or handling information that includes job specific installation data for market-based jobs that could provide them with a competitive advantage.”

CVCAC agrees that a high level of integration and coordination between the parties will benefit Vermonters. Provided the integration and coordination can be achieved at competitive costs, and within a timeframe and complexity that are consistent with the RFP and a one-year contract, CVCAC is ready to start.

Sincerely,



Hal Cohen
Executive Director